

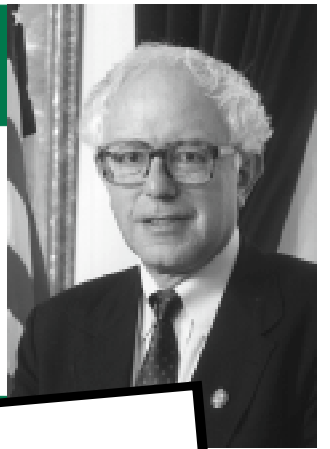


U.S. Representative

Bernie Sanders

Focus on Dairy Issues

Summer 1999



Congress of the United States
House of Representatives
Washington, D.C. 20515

July 12, 1999

Dear Vermont Dairy Farmer,

The purpose of this newsletter is to keep you informed about a few of the issues that may have an effect on your milk check in the coming years. I'm sure you would rather deal with the weather, an ailing cow, or broken machinery rather than talks about world trade, the concentration of ownership in agriculture, or Terminator and Traitor seeds. The truth is, however, that in an increasingly complex world much of what is happening in Washington or in corporate boardrooms is of vital concern for the survival of family dairy farms in Vermont, and it is imperative that we all learn as much about these issues as we can.

The Northeast Dairy Compact, the Federal Milk Marketing Order reform, and the continuation of the Dairy Support Price will be addressed by Congress in the immediate future. Please be assured that I am working as hard as I can to secure a fair and stable price for your valuable product. We will continue to lose dairy farms in Vermont and throughout this country unless farmers receive a fair price for their milk. That would be a tragedy for rural America, and we must not let it happen.

I also recognize the value of your farm operations to Vermont's statewide economy and the tourism industry. I believe that opportunities exist for some farm families to create new ways to improve their profit margins without having to increase their herd size or build new buildings. To that end, I have sponsored a million-dollar agri-tourism amendment which has successfully passed the House and is now before the Senate. These federal funds would allow for grants to assist farm families or farm organizations in developing new markets for farm-related products or services, which could tap into tourism revenues.

On Monday, July 26 at 10:00 AM, I am sponsoring an important meeting in Morrisville to discuss the impact of mergers and consolidation within the dairy industry, and how they affect the income of dairy farmers. This is an important meeting and I hope you will be able to attend. For more information, please call Jenny Nelson at my office at 1-800-339-9834.

Sincerely yours,

Bernard Sanders, U.S. Congressman

Northeast Dairy Compact

Reauthorization of the Northeast Dairy Compact is essential, as we work to establish a stable and affordable milk supply for consumers and a fair and equitable price for dairy farmers. Unfortunately, those of us in support of the compact are facing massive opposition from powerful special interests. The entire Vermont delegation is working hard to see that this vitally important legislation is passed. We should be very proud that more and more states are passing dairy compact legislation – a concept which originated in Vermont. These states see the advantages of our successfully administered program.



Rep. Bernie Sanders

1 Church Street, Second Floor

Burlington, VT 05401-4417

Telephone: 802-862-0697

Toll-free: 800-339-9834

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*If you receive more than one copy of this newsletter, we apologize. Please feel free to pass the extra copy along to an interested friend.
This mailing was prepared, published, and mailed at taxpayer expense.*

*Join Congressman Bernie Sanders with his special
guest Pete Hardin, Editor of the Milkweed*

MILK CHECKS AND MERGERS

*Please attend a lively discussion on the impact of mergers
and consolidation within the dairy industry with Pete
Hardin of Wisconsin, one of the leading national experts
on this issue. How does consolidation affect your milk
check? Will dairy farmers lose their opportunity to choose
who they ship their milk to? Come early for coffee, milk,
and muffins. Say hello to your neighbors.*

*Please RSVP to the district office at 1-800-339-9834 in
order to help us plan.*

*This meeting is presented in conjunction with the VT-NH
Milk Marketing Study Group and Rural Vermont.*

**Monday • July 26, 1999 • 10 am to Noon
Charlmont Restaurant • Morrisville, Vermont**

Concentration in the Dairy Industry

It is no secret that processing cooperatives and packers are using volume premiums – or a similar device – to decide who will be farming in the next century. In Minnesota, for example, the top volume premium soared from \$.40/cwt. to \$1/cwt. for 500-cow farms, while small and medium-sized farms only received \$.03/cwt. to \$.30/cwt. premiums. The results? There has been a 285% increase in herds of more than 200 cows since 1994. A 1,000-cow operation now is paid a premium of \$250,000, while many 50-cow farms get only \$300. This is a frightening situation which will only make it harder for the vast majority of family dairy farms to survive.

Did you know a newly created northeast dairy giant called GTL now controls about 70% of the fluid milk processing and distribution in New England? GTL's New England dairy businesses include: Garelick Farms (Fairdale Farms), West Lynn Creamery, Cumberland Farms, New England Dairies, Nature's Best and Grant's Dairy.

Terminator and Traitor Seeds

The Terminator seed is genetically engineered so that it will not grow on the second planting. Under U.S. patent law it is illegal for farmers to save patented seeds. To enforce its exclusive monopoly, Monsanto has aggressively prosecuted farmers for what the company calls "seed piracy." Now, a new series of products is in the pipeline. "Traitor" is a negative trait technology whereby the genes in the seed that are crucial to life can be turned "on or off" in response to a wide variety of chemicals. In other words, seeds are being developed that can only be used in combination with certain chemicals (owned by the same corporations). Therefore, farmers will be made dependent on chemicals at various stages of plant growth and other chemicals to bring the saved seeds back to life! Needless to say, this entire process is of great concern to farmers, consumers and my office.

World Trade

Will Vermont dairy farmers benefit from wide-open 'free markets,' or will the result be a reduction in the price they receive for their product? Can we afford to provide open access to the valuable American market for the right to compete with lower cost producers such as New Zealand, Australia and Mexico? Traditionally, our dairy product prices have been above world prices. To export bulk commodity dairy products into the world market, our price has to drop significantly. A \$9.50/cwt. price may make us "competitive," but how many family farmers can stay in business selling milk for that price? The goal of our agricultural trade policy must be to protect the average family farmer, not the large multi-national corporation. This is an issue to which I am paying a great deal of attention.

